

11/11  
item

6





Property of  
House Committee on  
Ways and Means

*front office*



















PART 11

EXCISE TAX SUGGESTIONS FOR RAISING  
DIFFERENT AMOUNTS OF REVENUE

PREPARED BY THE

STAFF OF THE JOINT COMMITTEE ON  
INTERNAL REVENUE TAXATION

APRIL 1951



UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1951





Item	Tax base	Present rate	Suggested rates		Additional revenue from sug-gestion
			Rates	Changes in base	
I. TO INCREASE EXCISE TAX REVENUES BY \$2 BILLION					
Alcoholic beverages:					
Distilled spirits	Proof gallon	\$9	\$10	None	122
Beer	Barrel	\$8	\$9	None	68
Still wines	Gallon	15 cents, 60 cents, \$2	19 cents, 75 cents, \$2.50 1	None	16
Sparkling wines	Half pint	15 cents, 10 cents	19 cents, 13 cents 1	None	1
Tobacco taxes: Cigarettes, small	Pack	7 cents	8 cents	None	177
Manufacturers' taxes:					
Gasoline	Gallon	1½ cents	2 cents	Expand to include Diesel fuel used on highway.	220
Passenger automobiles and motorcycles.	Manufacturer's price	7 percent	11 percent	Do not raise tax on house trailers.	261
Automobile trucks, busses, and truck trailers.	Manufacturer's price	5 percent	8 percent	None	61
Electric, gas, and oil appliances.	Manufacturer's price	10 percent	15 percent	Expand to include wide variety of electric appliances. See schedule B.	191
Refrigerators, quick-freeze, and air-conditioning units.	Manufacturer's price	10 percent	15 percent	None	40
Radios, television sets, phonographs, phonograph records, and musical instruments.	Manufacturer's price	10 percent	15 percent	None	55
Electrical energy.	Charge	3⅓ percent	No change	Expand to include sales by government-ally owned plants.	26
Retail taxes:					
Jewelry	Retail price	20 percent	No change	Apply 20-percent instead of 10-percent rate to watches for less than \$65 and alarm clocks for less than \$5; extend tax to all lighters, all fountain and ball-point pens and all mechanical pencils. Extend to toilet soaps.	62
Toilet preparations					
Other existing taxes:	Retail price	20 percent	No change		50
Bowling alleys, billiard and pool tables.	Per alley or table	\$20	20 percent	Extend to apply to transportation of oil by barge where shippers are transport-ing own oil.	21
Transportation of property	Charge	3 percent (4 cents per ton of coal).	No change	Extend to apply to transportation of gas by pipeline.	3
Transportation of oil by pipeline.	Charge	4½ percent	No change		(2)

<sup>1</sup> This represents an increase of 25 percent. If it is desired to limit the percentage increase to approximately the size of that provided for distilled spirits and beer the rates for still wines could be 17 cents, 67 cents, and \$2.25, and for sparkling wines could be 17 cents and 11 cents.

<sup>2</sup> Not available.

## Possible excise tax programs—Continued

Item	Tax base	Present rate	Suggested rates		Additional revenue from suggestion
			Rates	Changes in base	
I. TO INCREASE EXCISE TAX REVENUES By \$2 BILLION—Continued					
New taxes:					Mil. of dol.
Candy and chewing gum.....	Manufacturers and im- porters. Purchaser.....	None.....	20 percent.....	Based on manufacturer's price.....	230
Transfer of second-hand motor vehicles.....		None.....	8 percent, 5 percent.....	Based on the blue-book value of the car at the time title transfer occurs or time change in ownership is recorded if State has no title law.	350
Motor-driven and sail pleasure boats (including outboard motors). China and glassware.....	Manufacturer and im- porter. Retail price.....	None.....	15 percent.....	Based on manufacturer's price.....	15
		None.....	20 percent.....	Includes porcelain china, handmade or hand-decorated earthenware, and glass- ware which is crystal, cut, etched, or hand blown.	44
Total, I, \$2 billion program.....					
					2, 013
II. TO INCREASE EXCISE TAX REVENUES By \$2½ BILLION					
Increases already provided under I.					
Alcoholic beverage taxes:					2, 013
Distilled spirits.....					3 110
Beer.....	Proof gallon.....	\$9.....	\$11.....	None.....	3 68
	Barrel.....	\$8.....	\$10.....	None.....	
Manufacturers' taxes:					
Passenger automobiles and motorcycles.....	Manufacturer's price.....	7 percent.....	13 percent.....	Do not raise tax on house trailers.....	3 131
Electric, gas, and oil appliances.....	Manufacturer's price.....	10 percent.....	20 percent.....	Expand to include wide variety of electric appliances. See schedule B.....	3 97
Refrigerators, quick-freeze, and air-con- ditioning units.....	Manufacturer's price.....	10 percent.....	20 percent.....	None.....	3 40
Radios, television sets, phonographs, phonograph records, and musical in- struments.....	Manufacturer's price.....	10 percent.....	20 percent.....	None.....	3 55
Sporting goods.....	Manufacturer's price.....	10 percent.....	20 percent.....	Revise as shown in schedule C.....	4
Photographic apparatus and film.....	Manufacturer's price.....	25 percent, 15 percent.....	20 percent, uniform.....	None.....	9
Total of I and II, \$2½ billion program.....					
					2, 527



III. TO INCREASE EXCISE TAX REVENUES BY \$3 BILLION					2,527
Increases already provided under I and II. New taxes:					380
Household furniture.....	Manufacturers and im- porters.	None.....	20 percent.....	Based on manufacturers' price and would include the following types of furniture: Kitchen, living room, hall, bedroom (including bed mattresses and springs), children's, porch, lawn, beach, card tables and chairs, etc. Would also in- clude sales of unpainted furniture and furniture frames but would not include furniture which becomes an integral part of a house.	
Floor coverings.....	Manufacturers and im- porters.	None.....	20 percent.....	Based on manufacturer's price and would include wood and other fiber carpets, rugs and mats, linoleum and asphalted- felt base floor and wall coverings.	150
Total of I, II and III, \$3 billion program.					3,057
IV. TO INCREASE EXCISE TAX REVENUES BY \$3½ BILLION					3,057
Increases already provided under I, II, and III.					113
Other taxes: Local telephone service	Charge.....	15 percent.....	20 percent.....	None.....	
New taxes:	Bottlers or importers.....	None.....	1 cent per 10 ounces or fraction.	Carbonated soft drinks and unfermented fruit juices containing less than 95 per- cent pure fruit juices.	
Soft drinks.....	Manufacturers or im- porters.	None.....	20 percent.....	Of the kind used in mixing soft drinks. Sales to bottlers or sirups manufactured by bottlers would be exempt if used in soft drinks subject to bottlers' tax.	280
Fountain sirups.....	Charge.....	None.....	3½ percent.....	Would be limited to residential and com- mercial use.	88
Gas and fuel oil.....					3,538
Total of I, II, III, and IV, \$4 billion program.					

3 This is additional revenue above that previously accounted for.

## Possible excise tax programs—Continued

Item	Tax base	Present rate	Suggested rates		Additional revenue from suggestion
			Rates	Changes in base	
V. TO INCREASE EXCISE TAX REVENUES BY \$4 BILLION					Mil. of dol. 3,538
Increases already provided under I, II, III, and IV.					65
Alcoholic beverages: Beer	Barrel	\$8.	\$11	None.	131
Manufacturers' taxes:					56
Passenger automobiles and motorcycles	Manufacturers' price	7 percent	15 percent	None.	90
Automobile parts and accessories	Manufacturers' price	5 percent	8 percent	None.	77
Tires and inner tubes	Pound	5 cents, 9 cents	8 cents, 12 cents		100
Other taxes:					
Transportation of persons	Charge	15 percent	20 percent	None.	
Transportation of property	Charge	3 percent	3 to 4 percent	The rate would continue to be 3 percent on all over 500 miles but would be 4 percent on the first 500 miles. For purposes of computing this tax the charge for over and under 500 miles would be prorated on a mileage basis.	
Total of I, II, III, IV, and V, \$4 billion program.					4,057

O















